

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Speier Analyst: Gloria McConnell Bill Number: SB 1828

Related Bills: _____ Telephone: 845-4336 Amended Date: 04/06/00

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Drug Violation through Internet/FTB Offset Civil Penalties from Tax Refunds

- ☒ DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced 02/24/00.
- ☐ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- ☐ AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- ☒ FURTHER AMENDMENTS NECESSARY.
- ☐ DEPARTMENT POSITION CHANGED TO _____.
- ☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED 02/24/00 STILL APPLIES.
- ☐ OTHER - See comments below.

SUMMARY OF BILL

This bill would require the Franchise Tax Board (FTB) to subtract certain civil penalties from tax refunds or lottery winnings due certain taxpayers/defendants. FTB would make such offsets upon notification by the Attorney General of a final judgment for civil penalties for specified criminal violations relating to prescribing, dispensing or furnishing drugs via the Internet.

SUMMARY OF AMENDMENT

This amendment clarifies, as discussed in FTB's analysis of this bill as introduced, that the existing offset program would be used to subtract the amount of the awarded civil penalties from any tax refunds or lottery winnings due the taxpayer/defendant.

EFFECTIVE DATE

This bill would be effective and operative on January 1, 2001.

SPECIFIC FINDINGS

Implementation Considerations

To implement this bill FTB must modify its Business Entities Tax System. The operative date of this bill should be delayed until January 1, 2002, to allow FTB to complete the necessary programming and testing activities. The author's staff has agreed to this amendment. The suggested amendment is attached.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

4/27/00

FISCAL IMPACT

As addressed in FTB's analysis of the bill as introduced, this bill should not significantly increase the department's costs and would not impact tax revenue.

BOARD POSITION

Pending.

Analyst	Gloria McConnell
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Attorney	Patrick Kusiak

FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO SB 1828
As Amended April 6, 2000

AMENDMENT 1

On page 3, lines 1 and 36, strike out "The" and insert:

For notifications made on and after January 1, 2002, the